



# Judicial Pension Reporter

A Newsletter for Members of the Judicial Retirement System

Fall 2004

The Division of Pensions and Benefits

## Domestic Partnership Act

**C**hapter 246, P.L. 2003 recognizes adult individuals in New Jersey who wish to establish a domestic partnership. This law became effective July 10, 2004 and provides that two persons who desire to become domestic partners may execute and file an Affidavit of Domestic Partnership with the local registrar provided they meet the requirements and provisions of the law. This law also makes certain benefits available to dependent domestic partners in the case in which both persons are of the same sex and therefore unable to enter into a marriage with each other that is recognized by New Jersey law.

The Domestic Partnership Act adds a same-sex domestic partner to the definition of spouse, widow, and widower for the State employees of the State-administered pension funds, so that the domestic partner is treated in the same manner as a spouse. (The law also allows local employers to apply the same changes through adoption of a resolution by the local employer's governing body.)

### Pension Benefits

For pension purposes, the Act allows a same-sex domestic partner of a JRS member to receive the JRS statutory survivor's benefit, provided upon the death of the employee or retiree. (If a surviving partner is receiving a JRS survivor's benefit and subsequently remarries or establishes a new same-sex domestic partnership, the survivor will lose the pension benefit.)

*(continued on page 2)*

## Pension Loan Change

**I**nternal Revenue Service (IRS) regulations that became effective January 1, 2004, required the Division of Pensions and Benefits to change its pension loan repayment policies. For loans taken on or after January 1, 2004, you must repay that loan and any previous outstanding balance within a five-year period. If you take a second loan after January 2004 and the original loan balance is not completely paid off, the repayment period will remain five years from the date of the first loan taken after January 1, 2004. Failure to repay the loan within the five year period will result in the unpaid balance being declared a taxable distribution.

### Loans and JRS Members

Judges seeking to take a loan on pension contributions to the JRS must complete a Loan Application particular to the JRS; the standard, non-JRS application should not be used. You can obtain a JRS Loan Application from your employer, or it can be downloaded

## From the Director

**N**ew Jersey has a long history of striving to provide the finest benefits to its public employees, and we at the Division of Pensions and Benefits take great pride in our dedication to ensuring that you are fully aware and able to take advantage of these important benefits. Each year brings new laws that enhance your benefits and change how your benefits are administered.

Recently, significant changes have occurred in how loans from your pension fund are calculated for repayment. Be sure to read the accompanying article so that you understand this new loan repayment policy, and that you will be aware of the possibility of multiple loans creating a balance that must be paid earlier than was the case previously.

Among new benefits laws, the Domestic Partnership Act provides an official way to acknowledge domestic partner relationships, and offers pension and health benefits to same-sex domestic partners that are comparable to those offered to the spouses of members.

The benefits statement accompanying this newsletter is your snapshot of your membership account in the Judicial Retirement System and the status of your current employment benefits. Review this information carefully to ensure its accuracy, and if you detect any discrepancies, please contact Eileen Dillon of the Division of Pensions and Benefits at (609) 292-5175. We at the Division of Pensions and Benefits make every effort to assist you in exercising your benefits, and we wish to do everything possible to make sure that you reap the benefits of this important part of your compensation for your service to our State.

Frederick J. Beaver, Director  
Division of Pensions and Benefits

# Domestic Partnership Act (continued from page 1)

The voluntary JRS pension options are not impacted since retirees can already name anyone as joint and survivor beneficiary for this pension benefit. The Internal Revenue Service, however, imposes some age limitations on who a member can name as a non-spouse beneficiary (the IRS is a federal agency, and not governed by the provisions of the Domestic Partnership Act.)

Additionally, JRS Accidental Death benefits paid if the employee dies by accident in the performance of her or her duty while at work can now be paid to a same-sex domestic partner. An Accidental Death benefit going to a domestic partner would be subject to federal income tax; this is not the case when survivor's benefits are paid to a spouse.

## Health Benefits Coverage

Coverage under the State Health Benefits Program (SHBP) for same-sex domestic partners is available to any State employee, State retiree, or eligible employee or retiree of a local employer if the governing body adopts the provisions of the Domestic Partnership Act and participates in the State Health Benefits Program. Eligible dependents of a domestic partner can also be added to coverage. The domestic partner SHBP benefit may be federally taxable because the federal tax code does not recognize a domestic partner in the same manner as a spouse. For additional information on dependent status for federal tax purposes, see IRS Tax Topic 354 – Dependents. The domestic partnership benefit is not subject to New Jersey state income tax.

## Further Information

More information regarding the Domestic Partnership Act, the affidavit and certification process, and the pension and health benefits provided to domestic partners can be found on the Division's Web site at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions). See the link under "Hot Topics". You can also view Fact Sheet #71, Benefits Under the Domestic Partnership Act, on the Web site or have it faxed to you by calling (609) 777-1931 and requesting fax selection 8419 when prompted.

# Getting Ready for Retirement

Your service as a judge represents a very special contribution to the State of New Jersey, and as such your membership in the Judicial Retirement System provides you with retirement benefits that exceed those of many other State-administered retirement systems. When you are ready to retire, you should keep in mind some important points.

- A letter of resignation must be submitted to the Secretary of State of New Jersey prior to your submission of your retirement application. The office of the Secretary of State will then forward copies of your resignation to the Administrative Office of the Courts (AOC), and to the Division of Pensions and Benefits. You can obtain the retirement application from your employer, or you can download it from the Division's Web site at: [www.state.nj.us/treasury/pensions/publist.htm](http://www.state.nj.us/treasury/pensions/publist.htm)
- Group life insurance coverage ends 31 days after retirement (or other termination of service). You can convert your group life insurance coverage into an individual policy with the Prudential Life Insurance Company by calling Prudential at 1-800-354-6903. Ellen Apparies of the AOC can assist you with information regarding your group life insurance and its conversion, especially if you have the JRS contributory insurance in addition to the noncontributory insurance. You can contact Ms. Apparies at (609) 292-4687.
- Medicare coverage in both Medicare Part A and Part B is required in

## JUDICIAL PENSION REPORTER

Division of Pensions and Benefits  
[www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

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## EXTRA TEXT

### PENSION LOAN CHANGE

from the Division's Web site at: [www.state.nj.us/treasury/pensions/pubslist.htm](http://www.state.nj.us/treasury/pensions/pubslist.htm)

Please note that the automated telephone system, used by members of other pension systems to determine loan amount eligibility, does not apply to JRS members. To determine your loan eligibility, please contact Eileen Dillon at (609) 292-5175, or e-mail her at [Eileen.Dillon@treas.state.nj.us](mailto:Eileen.Dillon@treas.state.nj.us). Ms. Dillon can also assist you with other questions regarding your membership in the JRS.

### GETTING READY FOR RETIREMENT

order to enroll as a retiree in the State Health Benefits Program (SHBP). You should visit your local Social Security Administration office to enroll. Medicare Part A coverage is available at no charge beginning at age 65, but Medicare Part B coverage incurs a monthly premium. Currently this fee is \$66.60 per month per individual. Upon retirement and enrollment in Medicare Parts A and B, Medicare becomes your primary insurer, with those charges not payable by Medicare being forwarded to the SHBP.

- Finally, be sure to complete the Last Check Benefit form, which is included in the retirement application packet. The beneficiary you designate to receive your last pension check need not be the same as your named pension option beneficiary or your named life insurance beneficiary. If you do not complete the Last Check Benefit form, the last pension check will be reissued payable to your estate, which could inconvenience your intended beneficiary.